



Department of Human Resources
311 W. Saratoga St.
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FIA ACTION TRANSMITTAL

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**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND CASE MANAGERS**

FROM: ROSEMARY MALONE, EXECUTIVE DIRECTOR *Rosemary Malone*
DEBBIE RUPPERT, EXECUTIVE DIRECTOR, DHMH OES *Debbie Ruppert*

**ROLF GRAFWALLNER, ASSISTANT STATE SUPERINTENDENT,
DIVISION OF EARLY CHILDHOOD EDUCATION, MSDE**

Rolf Grafwallner

RE: INCREASE IN MARYLAND MINIMUM WAGE

**PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE (TCA), FOOD
SUPPLEMENT PROGRAM (FSP), TEMPORARY
DISABILITY ASSISTANCE PROGRAM (TDAP), CHILD
CARE SUBSIDY (CCS), MEDICAL ASSISTANCE (MA)**

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY:

Effective January 1, 2015, the State minimum wage increases to \$8.00 per hour from the current \$7.25 per hour. Some customers will see the increase in pay for their hours worked beginning January 1, 2015. In July 2015, the minimum wage increases again to \$8.25 per hour.

ACTION REQUIRED:

Local offices should expect more interim changes reported later this month since the new minimum wage increases the amount of earned income for some working recipients. Case managers must act timely on the changes to prevent an over or under issuance in benefits and to ensure that TCA recipients in work experience or community service positions are not exceeding Fair Labor Standards Act (FLSA) guidelines.

Affected programs include:

- **TCA:** Recipients must report the change within 10 days of the receipt of the pay check with the increase.
- **FSP:** Recipients need only to report the change if the household's total income increases to more than 130% of the Federal poverty level for the household size.

However, the case manager **must** take action on FSP cases when customers report the change for other programs.

- **TDAP:** We do not expect an impact on TDAP as recipients are disabled and not eligible if they become employed.
- **Child Care Subsidy:** Customers must report the change within 10 days.
- **Medical Assistance:** Customers must report changes within 10 days.
- **TCA Work Requirements:** The minimum wage increase affects the number of hours customers can work in Work Experience (WEX) or Community Service (WEM) activities under FLSA. The customers affected by FLSA will likely see a decrease in the number of hours they are required to participate. The FLSA calculation is:
 - TCA benefit + FSP benefit divided by minimum wage (\$8 per hour) = maximum monthly FLSA hours
 - Maximum monthly FLSA hours divided by 4.3 = average hours per week WEX or WEM participation requirement

Example:

\$300 (TCA) + \$200 (FSP) = \$500 / \$8 per hour = 62.5 hours per month work requirement or 14.5 hrs per week.

Note that federal TANF policy allows us to “deem” FLSA-limited customers to be countable in the WPR with the 20 hours per week core activity requirement:

Reminder: Periodically review recipients' WEX and WEM activities to ensure the customers do not exceed Federal FLSA requirements. Local departments are in violation of Federal law if a recipient's WEX or WEM hours exceed the FLSA limit. Review the family's Independence Plan to determine if we must update their work activity to comply with FLSA.

CARES cannot be changed to reflect the increase in minimum wage because earnings are not entered or coded for minimum wage. Case managers must review the income at each interim change or redetermination they complete in order to ensure the earnings are correct.

INQUIRIES:

Please direct questions to the following people or units:

FSP – Rick McClendon- rick.mcclendon@maryland.gov 410-767-7307 or

Vera Lynch- vera.lynch@maryland.gov 410-767-7953

TCA & TDAP – Fatmata Khella at fatmata.khella@maryland.gov 410-767-7956.

CCS – Myra White Gray at Myra.White-Gray@msde.state.md.us 410-767-7863.

MA – DHMH Division of Eligibility Policy and MCHP at 410-767-1463 or 1-800-492-5231 (select option 2 and request extension 1463).

- c: DHR Executive Staff
- DHMH Executive Staff
- Constituent Services
- DHR Help Desk
- FIA Management Staff
- FIA Policy and Training Staff
- DHMH Training Staff
- FIA Bureau of Work Programs